

Fiscal Estimate - 2021 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number 21-0993/1		Introduction Number AB-0031	
Description State government response to COVID-19 pandemic, extending the time limit for emergency rule procedures, providing an exemption from emergency rule procedures, granting rule-making authority, and making an appropriation			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect			
<input type="checkbox"/> Indeterminate			
<input checked="" type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Decrease Existing Appropriations		<input type="checkbox"/> Decrease Existing Revenues	
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
		<input type="checkbox"/> Yes <input type="checkbox"/> No	
		<input type="checkbox"/> Decrease Costs	
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs		3. <input type="checkbox"/> Increase Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
2. <input type="checkbox"/> Decrease Costs		4. <input type="checkbox"/> Decrease Revenue	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
5. Types of Local Government Units Affected			
<input type="checkbox"/> Towns		<input type="checkbox"/> Village	
<input type="checkbox"/> Counties		<input type="checkbox"/> Others	
<input type="checkbox"/> School Districts		<input type="checkbox"/> WTCS Districts	
<input type="checkbox"/> Cities			
Fund Sources Affected			
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS			
Affected Ch. 20 Appropriations			
Agency/Prepared By		Authorized Signature	
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		Date	
		2/16/2021	

Fiscal Estimate Narratives

ETF 2/16/2021

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Assumptions Used in Arriving at Fiscal Estimate

Generally, the bill allows a WRS annuitant who is hired for a critical position during to return to work more than 2/3rds of full-time and elect to not suspend their annuity. The bill reduces the break-in-service requirement from 75 days to 15 days during the emergency for these positions. The provision starts on the effective date of the bill and ends December 31, 2021.

Administrative costs for the Department of Employee Trust Funds may be incurred related to information technology system changes, staff training, employer training, transaction processing and the revision of publications. The Department should be able to absorb these costs.

The Department is not able to determine the fiscal impact of the bill on local governments.

The bill also includes the following provisions related to health insurance coverage under the Group Health Insurance Program (GHIP):

Requires coverage of testing, treatment and vaccinations relating to COVID-19 without imposing any copayment or coinsurance before December 31, 2021.

Prohibits health plans from requiring prior authorization for early refills of a prescription drug or otherwise restricting the period of time in which a prescription drug may be refilled and from imposing a limit on the quantity of prescription drugs that may be obtained if the quantity is no more than a 90-day supply. These prohibitions do not apply if the prescription drug is a controlled substance.

Prohibits health plans from requiring a member to pay more for a service, treatment, or supply provided by an out-of-network provider than the member would have to pay if the services were provided in-network. This prohibition applies to services received related to COVID-19 and applies if the member saw an out-of-network provider because a participating provider was not available.

Requires health plans cover frontline health care workers who have been diagnosed with or is under investigation of having COVID-19 or any other communicable disease without imposing any copayment or coinsurance. For purposes of required insurance coverage, the treatment that must be covered is any treatment that is medically necessary and reasonably related to COVID-19 or any other communicable disease or complications from COVID-19 or other communicable disease.

Prohibits a health insurance policy or a self-insured health plan of the state or a county, city, village, town, or school district from denying coverage for a treatment or service provided through telehealth if that treatment or service is covered under the policy or plan when provided in person by a health care provider. This prohibition applies through December 31, 2021.

The GHIP is a fully insured group health plan. Some of these provisions are already required by federal law. ETF's actuary estimates the provision requiring health plans cover frontline healthcare workers would increase program costs between 2 ½ to 3% (\$28.6 million) of current claims. The bill creates an appropriation at DOA to provide grants to insurers for the costs of the treatment. It is unclear how much of the \$28.6 million would be passed through or how it will affect future premiums. The State's pharmacy benefit program is self-insured. There may be increased costs related to extended refills of prescription specialty medication.

Long-Range Fiscal Implications